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A Comprehensive Gas Price Strategy:

Preventing Price Gouging from Oil Companies and Subjecting OPEC Nations to Antitrust Laws

Congressman Conyers, joined by 8 other Members of Congress, today introduced the bipartisan *Oil and Gas Industry Antitrust Act of 2006* to prevent consumers from being gouged at the gas pump.

"We do not have to stand by and watch gas prices continue to climb without taking action," said Conyers. "We should protect consumers from any anticompetitive behavior that might be occurring. The states simply don't have the authority or resources deal with this nationwide problem."

In recent days, the price of crude oil has reached an all-time high of \$75 per barrel, more than twenty percent higher than the price at the start of the year. The average price of gasoline is now near \$3 per gallon and is only expected to rise further during the summer months as supply dwindles.

The group of eleven nations comprising OPEC is a classic definition of a cartel, and these nations hold all the cards when it comes to oil and gas prices. Just recently, OPEC ministers announced that they would not increase production or even offer their spare oil capacity to respond to rapidly increasing oil prices.

"While OPEC is in a unique position to respond to and alleviate this crisis, its nations will instead stand by while our oil and gasoline prices go through the roof," said Conyers.

While the House is considering modest legislation today increasing penalties on price discrimination by oil companies, the Conyers legislation goes further by also attacking this problem at its core: the collusive activity of the OPEC cartel.

The Conyers legislation would fight high gas prices in two key ways. First, it would eliminate the "sovereign immunity" antitrust exemption that OPEC countries presently use when they claim that oil production is governmental activity, not commercial activity. Secondly, the bill would prevent refineries and oil companies from unilaterally restricting supply with the intent to raise prices, a problem that was the principal cause of the California energy crisis.

Asserting that "those who engage in price gouging should be held responsible," Conyers' legislation would authorize the Justice Department to file suit against oil cartel members in U.S. federal court for violations of this Act.

Reps. Steve Chabot, Zoe Lofgren, Sherrod Brown, Martin Meehan, Adam Schiff, Barbara Lee, Mike Honda and Maurice Hinchey joined Congressman Conyers in introducing this legislation today.